



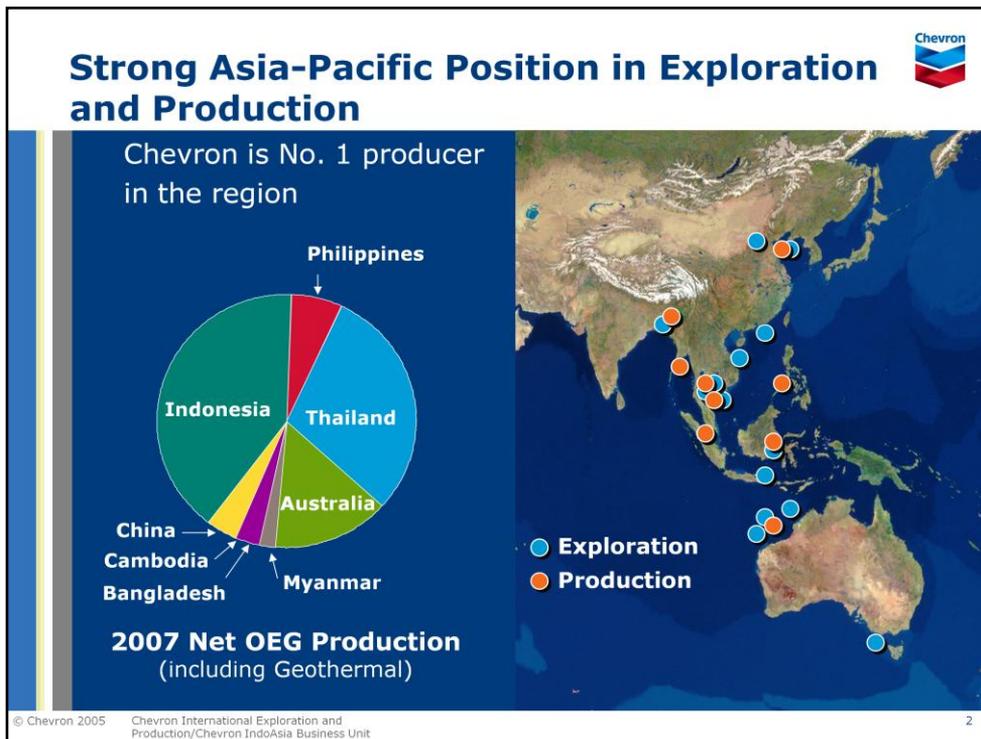
## Operating in Indonesia

*A US Company's Perspective*

Senior Vice President Business Services  
Chevron IndoAsia Business Unit  
**Abdul Hamid Batubara**

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Notes go here.



With the Unocal/Chevron merger, we have expanded our position in this strategic region

Employees – 1 in 5 employees are in the region

Operations across the entire energy spectrum:  
Oil/Gas/LNG/GTL/Geothermal/Power/Shipping/Trading

Chevron is the No. 1 producer and a top resource holder in the region

One third of Chevron's total risked resource is located in the region  
(17% pipeline gas, 68% LNG and 15% oil)

Asia Pacific is a significant exploration region – 43% of Chevron resources discovered since 2001

Gas development dominates future activity

Australia is future center for Chevron's LNG business

Asia South BU, based in Bangkok, CIEP's largest pipeline gas business

100% of our geothermal activity is in Indonesia and Philippines



**Sumatra Operations –**

1st Production: 1951

Beginning in 1924, with a team of geologists from Standard Oil of California, Sumatra Operations (SMO) represents Chevron’s first oil venture in Indonesia. Sumatra holds two of Indonesia’s largest oil fields, Duri and Minas, part of the Central Sumatra Basin, one of the largest basins ever discovered in Indonesia. After over 80 years of operations, the approximately 90 producing fields in Sumatra still account for a significant portion of Indonesia’s current oil production.

Due to the mature nature of its assets, the focus of Sumatra operations is to minimize production declines through system integrity, reliability, enhanced steam and surfactant recovery projects and field development drilling in order to improve overall field recovery. SMO completed 364 development wells and 1 exploration well in 2007, well over the target of 284. SMO averaged 425 MBD in gross liquids production during 2007.

**Duri Cogen –**

Installed Capacity: 300 MW

1st Production: 2000

**Geothermal Darajat and Salak**

Darajat Installed Capacity : 259 MW (upon completion of Darajat III)

Salak Installed Capacity : 377 MW

1st Production: 1994

**Geothermal Mak-Ban and Tiwi –**

Installed Capacity: 636 MW

1st Production: 1979

**South Natuna Sea Block B – potential growth**

1st Production: 1992

**Kalimantan Operations –**

1st Production: 1972 (West Seno was the first deepwater production for Indonesia)

**N.E. Madura III Block**

Exploration Block: **North East Madura Block III**

In 2006, Chevron’s successful farm-in to the NE Madura III Block with a 40% working interest (operated by Anadarko) was a key step toward refocusing efforts on significant new opportunities in Indonesia. An exploration well planned for the NE Madura III Block in 2007 was deferred to mid-2008

## Chevron Indonesia Operations



**Production** and **investments** in Indonesia demonstrate the scale of Chevron's operations:

Activity	2007
Oil Production	172 Millions of Barrels
Gas Production	123,000 Millions of Cubic Feet
Power Generated	9,000 Millions of KW Hours
New Wells Drilled	>365
Drilling & Workover Rigs operated	>60

- Active in Indonesia for 84 years
- Led oil development in Indonesia and produce nearly half of Indonesia's crude oil production
- More than 7,000 employees and 30,000 business partner employees
- Over 97 percent of employees and managers are Indonesian nationals

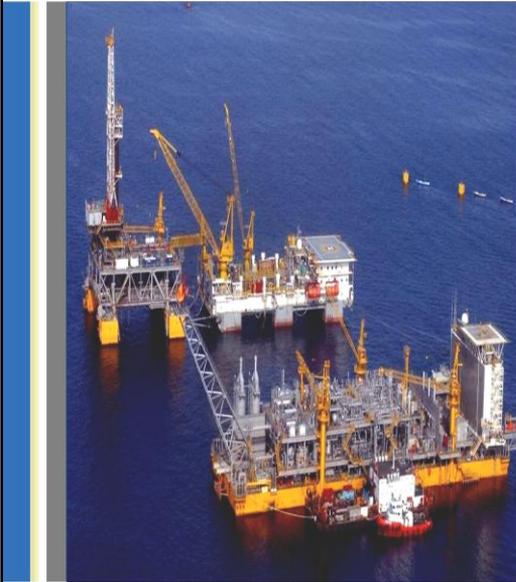
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To better demonstrate the scale of our business here in Indonesia, this slide shows our activity in 2007 alone.

- Chevron has been active in Indonesia for 84 years and is one of the largest revenue contributors to Indonesia's economy
- Chevron produces nearly half of Indonesia's crude oil production; in 2007, Chevron achieved a gross average daily oil-equivalent production of over 585,000 barrels
- The company pioneered geothermal development in the Philippines and Indonesia, and led oil development in Indonesia
- Chevron is the world's leading geothermal energy company. In Indonesia, Chevron has two geothermal projects that generate over 630MW of clean, reliable and affordable energy for Indonesia's growing economy
- Chevron manages more than 7,000 employees and 30,000 business partner employees. Over 97 percent of employees and managers are Indonesian nationals

## Existing Offshore Operations - Kalimantan



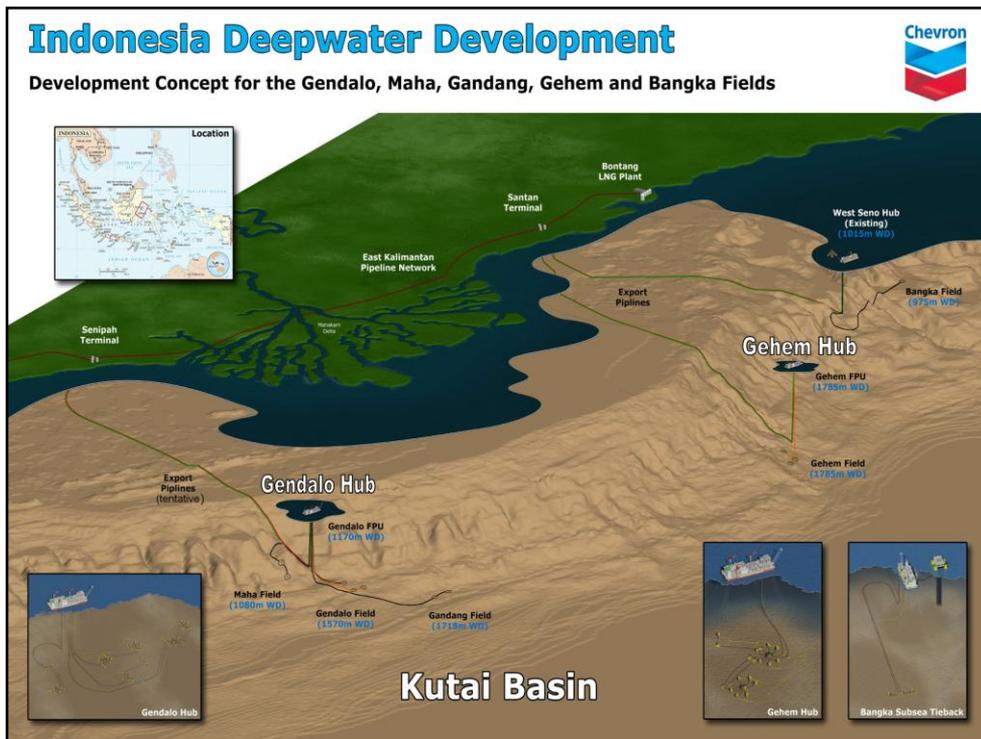
- First Deepwater Development in Indonesia (1998 – West Seno)
- Improve reservoir characterization through the application of new technologies, work methods and work tools
- Maximizing production and value at West Seno
  - Reservoir Management/GOR
  - Sand Production
  - Gas Lift Optimization

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\$8.2 Billion investment

1FPU, 1TLP, 1LNG Facility (Bontang), 57 Platforms with ~250 active wells; 2 terminals (Lawe-Lawe & Santan), Pasir Ridge Office and Camp



In Indonesia, we are seeking to grow a high-impact global gas business with investments in the Kutei basin. The Kutei POD is an example of this focus on growth

The Kutei POD consists of the deepwater development of four gas fields located in East Kalimantan, Indonesia: Gehen, Maha, Gandang, and Gehen. The developments consist of 2 deepwater production hubs utilizing FPU's as floating facilities.

All fields will be developed using subsea completions

This development will require significant capital investment. It will be the deepest in Indonesia, in water depths ranging from 2,500 to 6,000 feet, approximately 80 kilometers (50 miles) offshore East Kalimantan near the Bontang LNG facility.

Chevron currently operates the Makassar, Ganai and Rapak PSCs.

In January 2007, Chevron combined the development of the Gendalo and Gehen deepwater natural gas fields located in the Kutei Basin into a single project with one development concept. In August 2007, the company submitted final development plans to the government of Indonesia. In November 2007, BPMIGAS recommended to Ministry of Energy and Mineral Resources for final review and approval of the PoD.

We are working together with BPMIGAS and the Ministry of Energy and Mineral Resources towards completing the final review and approval of the PoD. The development timing is dependent on government approvals, market conditions and the achievement of key project milestones. We look forward to partnering with the government of Indonesia and BPMIGAS to timely develop these fields.

The company currently holds an 80 percent operated interest in these projects.

Positive Bridging Statement

The Kutei Basin Deepwater Projects are examples of Chevron's long-term commitment to Indonesia. Chevron is actively investing hundreds of millions of dollars each year in Indonesia on exploration activities, development of new projects and its current operations' significant base business.

What not to say: We do not comment on IDD reserves or potential reserves, We do not speak about the government or process in a negative way in public, We do not speak about potential capital costs or revenues

## Partnership and Community



Our philosophy in regards to **partnership** and the **community** is grounded in the Chevron Way and we strive to:



- Maximize the positive impact of our operations on current and future generations
- Integrate social, environmental and economic considerations into our core practices and decision making
- Engage with and balancing the needs of our key stakeholders

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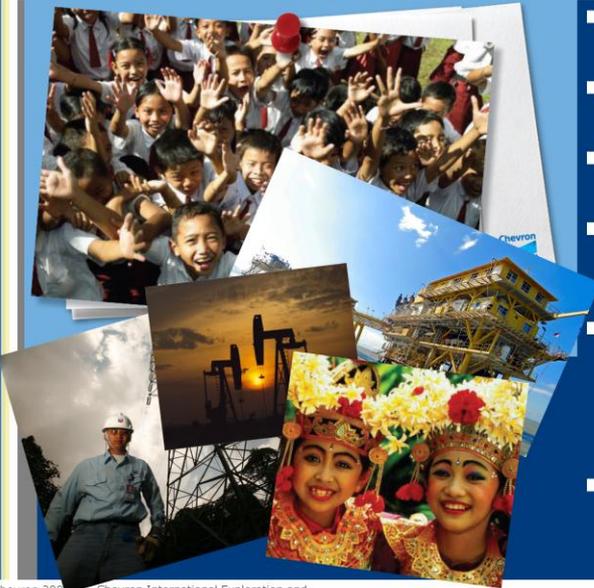
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The success of our community engagement programs requires strong partnerships with governments, local communities, nongovernmental organizations, multilateral institutions and others.

For any business planning on working in Indonesia, there must be a strong focus on partnership and community to achieve success. For Chevron maximizing the positive impact of our operations on current and future generations, integrating social, environmental and economic considerations into our core practices and decision making, and engaging with and balancing the needs of our key stakeholders is a critical success factor and in my opinion the reason Chevron has been in Indonesia for over 80 years. We plan to continue our partnerships and our focus on people and community as we build our businesses in Indonesia.

Can talk about the CARI project, Response earthquakes in Yogyakarta and Sumatra, Microcredit and Local Business Development Programs, Environmental projects with TNC and Orangutan Foundation

## Indonesia well positioned



- Vast and highly diversified natural resources
- Competitive and productive labor force
- Increased demand for energy in the region and in the nation
- 8<sup>th</sup> largest gas producer in the world, Asia's largest energy exporter
- Renewed interest in Indonesia exploration - While 5 new PSCs were signed in 2006, nearly 30 new PSCs signed in 2007
- There is great potential for companies willing to make long term investments

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Our challenge today is a formidable one, but with true partnership between Government and Private Industry, we can make progress towards meeting the challenges and seizing the opportunities presented in Indonesia. Chevron is committed to doing our share and grow investment in Indonesia.



Thank You